

Frequently Asked Questions About the Leon County Community Healthcare Plan

What is the Leon County Community Healthcare Plan?

On May 23, 2006, the Leon County Board of County Commissioners voted unanimously to place the issue of a ½ cent sales tax before the voters of Leon County to provide essential healthcare services to the uninsured, working poor and medically needy residents of our community in the most cost-effective manner. This was the latest in a series of steps the Board has taken over the past several years to address healthcare for the uninsured, including collaboration with the CareNet partners and implementing the Primary Healthcare Program in 2001 and funded it through a property tax.

The proposed Community Healthcare Plan would operate like an HMO to provide basic health coverage for eligible Leon County residents. The plan will offer significantly less health coverage than commercially available insurance like that provided by an employer or purchased by an individual. However, the plan would provide appropriate and cost-effective care to those who would otherwise seek healthcare alternatives of last resort – like that rendered in emergency rooms – which come with the highest costs and result in worse health outcomes for the individual and the entire community.

What are the program goals and desired outcomes?

- To improve the quality of life and health outcomes of the County's most needy and vulnerable residents
- To interrupt or reverse the trend of increasing uninsured in our community
- To reduce inappropriate Emergency Room visits
- To slow the escalation of health care costs and the invisible tax of cost shifting to the overall community
- To increase productivity, efficiency and overall health of the workforce
- To realize highest quality of life and healthiest community for Leon County

Who's eligible to participate in the Leon County Community Healthcare Plan?

Eligible participants must:

- Be a Leon County resident;
- Be uninsured for one year;
- Be between 18 and 64 years of age;
- Have a household income which falls below 200% of the Federal Poverty Level (FPL);
- Not be eligible for any other state or federal program or having medical needs that are not covered by any such program (i.e. Medicaid, Medicare, etc.);
- Not have insurance offered by employer (except if 100% of poverty and bare of insurance for at least one year).

This Plan contemplates a phased enrollment of eligible residents. Under the phased enrollment, individuals with incomes up to 100% FPL will enroll under phase 1 of enrollment, with individuals with incomes up to 150% FPL and 200% FPL to follow in enrollment in phases 2 and 3, respectively. The Plan anticipates an estimate 9,000 enrollees. Under the plan, co-pays are also based on a sliding scale fee schedule based on income (see following table).

2006 Poverty Guidelines

Persons in Family or Household	100 % FPL Max Annual Income	150 % FPL Max Annual Income	200% FPL Max Annual Income
1	\$9,800	\$14,700	\$19,600
2	13,200	19,800	\$26,400
3	16,600	24,900	\$33,200
4	20,000	30,000	\$40,000
5	23,400	35,100	\$46,800
6	26,800	40,200	\$53,600
For each additional person, add	3,400	5,100	\$6,800

What is the funding source / How much will this cost?

It is important to note that Leon County property owners are currently paying for the existing healthcare program through a special property tax. This property tax will be eliminated if a sales tax is approved to fund the proposed healthcare plan for the uninsured. It is also important to note that it is estimated that each insured person in Leon County currently pays an estimated \$97 per year in "invisible tax" passed on to them in inflated medical costs and insurance premiums due to uncompensated medical care provided to the uninsured.

If approved by the voters in November, the Community Healthcare Plan would be funded primarily through the imposition of the ½ cent *Voter-Approved Indigent Care Surtax*. This funding source was approved by the Florida Legislature for those counties that develop a plan to address the problems associated lack of access and affordability of healthcare to uninsured persons in their county in a cost-effective manner. If approved, the sales tax would begin generating an estimated \$18 million annually. Between 22% and 30% of the tax would be paid for by visitors to Leon County. The estimated cost of the ½ cent sales tax to the average consumer is approximately \$52 to \$59 per year, or between 14 and 16 cents a day.

How will the money be spent?

The proposed Community Healthcare Plan seeks to leverage all existing community and provider resources with the "funds following the patient" based on services rendered by local physicians, hospitals and clinics. The proposed plan avoids high infrastructure costs, taking advantage of Medicaid and Medicare pricing and leveraging of local dollars. The proposed healthcare plan features a strong emphasis on cost containment by:

- Focusing on preventative services which ensures appropriate and timely medical care and avoids health deterioration which requires the most expensive and inefficient treatment;
- Requiring a generic drug formulary;
- Incorporating a strong medical management component to ensure the coordination of care by all of the providers in the local healthcare system

To meet its obligation to the taxpayers, the County will maintain strong accountability, oversight and control of the plan, which will be accomplished in part by employing an Administrative Services Only (ASO) vendor (a Third Party Administrator or TPA) to provide numerous professional managed care services critical to ensuring the cost-benefit of the plan. The ASO model is an arrangement whereby the County hires an outside firm to provide specific administrative services. These services include, but are not limited to the following:

- Enrollment and eligibility determinations
- Accurate claims adjudication and responsive support to participants backed by robust technological capability
- Reporting and strategic services to project claims cost, track trends, minimize liability, and measure performance.
- Coordinated care and utilization management on a case-by-case basis to increase quality while reducing expenditures on inappropriate care and inaccurate billing practices.
- Account management for everyday services in managing plans
- Comprehensive health management and disease management programs for conditions ranging from cardiovascular disease to asthma and diabetes.
- Nurse telephone and on-line contact services.

The ASO will function very much like an HMO as it pertains to the management of the medical provider system and as it would appear to the clients of the program.

Who will benefit from the proposed healthcare plan?

Providing health insurance coverage to the previously uninsured has great potential benefits to the entire community, including:

- **Businesses Benefit:**
 - Insurance premiums have been rising much faster than inflation – this forces the employer to make tough choices about the amount of coverage they can afford to provide and the amount they can contribute to the cost of the plan.
 - To make matters worse, these responsible businesses are paying a hidden “premium tax” to pay for uncompensated care. In essence, they are subsidizing those employers who choose not to provide health insurance to their employees.
 - Businesses have a much greater chance to see relief from increased insurance premiums if providers are reimbursed for care which was once uncompensated.

- Businesses benefit from a healthy and insured workforce. Businesses experience higher productivity, less absenteeism and less turn-over when the workforce has access to affordable healthcare, including preventative healthcare.
- **Eye Opener:** National research indicates that for every 1% increase in insurance costs, .084% of the population loses their health insurance. Applying this ratio to Leon County suggests that the 13.5% increase in health insurance costs in 2005 alone may have resulted in an estimated 2,452 Leon County residents losing their health insurance.
- **Insured Residents Benefit:**
 - When hospitals and other healthcare providers experience revenue shortfalls which result from uncompensated care, they must look to other payers to make up the loss. Because these providers cannot generally shift these cost to governmental payers, they must look to private insurers to pay higher rates through higher premiums.
 - **Eye Opener:** In Leon County, the above translates to less than 65% of the population bearing the costs of all uncompensated care that is not supported by government or philanthropic programs.
- **Healthcare Providers Benefit:**
 - Providers recover only about 35% of the cost of providing care to patients who have been uninsured for over one year. As such, over 60% of the cost of the care for these uninsured patients is uncompensated and must be absorbed or shifted to another payer.
 - **Eye Opener:** Leon County hospitals reported over \$20 million in uncompensated charity care in 2004.
- **Uninsured Residents Benefit:**
 - Uninsured residents of Leon County are most directly impacted by the lack of health insurance. These residents experience poorer health outcomes in every category. Poor health is directly related to lower workforce participation and personal income.
 - **Eye Opener:** National research indicates that an estimated one in three personal bankruptcies is a result of medical debt.

What are the covered benefits under this plan?

This Community Healthcare Plan will offer significantly less health coverage than commercially available insurance like that provided by an employer or purchased by an individual. However, the plan would provide appropriate and cost-effective care to those who would otherwise seek healthcare alternatives of last resort – like that rendered in emergency rooms – which come with the highest costs and worst health outcomes for the individual and the entire community.

Healthcare services covered under this plan “at a glance” include the following:

Case Management Services:

- Medical management of patients with chronic diseases, such as diabetes and hypertension;
- Referrals to other public programs as appropriate;
- Referrals to physician specialists for evaluation and consultation;
- Patient education on disease and health management.

Primary Care Services: Periodic health assessment, including:

- Health Examinations
- Necessary Laboratory Services
- Up Front Medical Management
- Chronic Disease Management
- Episodic Outpatient Care
- Emergency Care / Urgent Care

Specialty Care Services: Limited consultations, examinations, and treatment specialties covered:

- Cardiology; ENT, Gastroenterology, General Surgery, Gynecology, Nephrology, Neurology/Neurosurgery, Oncology, Ophthalmology, Optometry, Orthopedic, Surgery, Podiatry (for diabetics only), Psychiatry/Mental Health, Pulmonary, Urology.
- Outpatient Surgical Services at Specialists Offices
- Inpatient Hospital Services – 8 day Annual Limit
- Outpatient Diagnostic Services – including services such as:
Hematology, Chemistry, Cytopathology, MRI, Eye Exam, Cardiac Stress Test, CT, EKG, Endoscopies and colonoscopies
- Mammography Screenings
- Hospital Based Physician Services
- Outpatient Therapies
- Physical and Respiratory Therapies (provided at PCP Office only)
- Family Planning (limited to physician services for consultation)
- Basic Dental Services for Adults

Pharmaceutical Services:

- Generic Only Formulary

Exclusions:

Again, this Community Healthcare Plan is not comparable in benefit level to a commercial insurance product by design. As such, there are many excluded services under this plan including, but not limited to:

- Dialysis (Chronic)
- Reconstructive Surgery
- Blood Disease
- Infertility Services
- Prosthetic Devices/Braces
- Oral Surgical Services
- Organ Transplants

- Cosmetic/Plastic Surgery
- Orthodontia
- Out-of-County Services
- Termination of Pregnancy
- Services for the treatment of any kind of addiction
- Services for the treatment of sexual dysfunction
- Advance Oncology
- Chiropractic Services
- Elective Vascular Surgery
- Contraception
- Hearing Aids/Testing
- Inpatient Rehabilitation Services
- Joint Replacements
- Procedures for the treatment of obesity
- Durable Medical Equipment
- And All Not Medically Necessary Services

* Please note this benefit package is currently undergoing a medical peer review and is subject to modification.

Will this be a free healthcare plan for all eligible participants?

No. The proposed plan includes a sliding scale co-pay fee structure for medical and pharmaceutical services as seen in Table 2.

Table #2

Co-pays:	Under 100% FPL	100%-150% FPL	150% - 200% FPL
Clinic services	\$2 per visit	\$ 0 wellness \$10 chronic \$15 acute	\$ 5 wellness \$15 chronic \$20 acute
Primary Care Physician (non-clinic)	\$2 per visit	\$ 0 wellness \$10 chronic \$15 acute	\$ 5 wellness \$15 chronic \$20 acute
Generic drugs	\$0	\$10	\$15
Outpatient Facility Physical Health	\$2 per visit	\$5 - \$25 depending on type \$75 OP surgery	\$10 - \$30 depending on type \$100
Urgent Care Center	\$2 per visit	\$15 per visit	\$20 per visit
Emergency Room Visit	\$50 per visit	\$50 per visit	\$50 per visit
Specialist Physician	\$ 2 per visit	\$15 per visit \$75 OP surgery in office	\$20 per visit \$100 OP surgery in office
Outpatient Behavioral Health	\$2 per visit	\$15 per visit	\$20 per visit
Dental Services	\$2 per visit	\$15 per visit	\$20 per visit
Vision services	\$2 per visit	\$15 per visit	\$20 per visit

Who will provide oversight to ensure the success of the proposed healthcare plan?

The Board of County Commissioners has established the Primary Healthcare Implementation Advisory Board (PHIAB) to oversee the current Primary Healthcare Program and would use this Advisory Board to oversee the future program. This Advisory Board is made up of the CEOs of both local hospitals, the President of the Chamber of Commerce, the present and past administrators of the Leon County Health Department, and prominent local doctors in the community who have experience in serving the uninsured population. The PHIAB will oversee the Community Healthcare Plan and report annually to the Board of County Commissioners on the progress of the program.

How will the County prevent people and employers from dropping commercial insurance and enrolling in the County's Plan?

The Community Healthcare Plan has very strict eligibility criteria for enrollment into the Program, such as income limits. In addition, certain features will be incorporated into the Plan to prevent what the industry titles "crowd out". These include the following:

- A "Leaner" benefit set than exists in the marketplace, to decrease the incentive for employees to leave existing insurance for the County program;
- Funding providers at appropriate reimbursement levels – typically below commercial rates; and
- Implementing eligibility requirements (e.g., a "bare provision" of 1 year).

How will the County measure the success of the Program?

The County will measure the success of the program through a series of industry standard measurements, common to all healthcare providers. The program will heavily focus on qualitative and quantitative measures, built into each vendor/provider contract, to measure performance standards designed to meet these goals and objectives. Performance standards will be developed using measures outlined by the American Medical Association (AMA), HEDIS, EPSDT, Healthy People 2010 and monitoring, reporting and penalties for non-compliance will be established in each of the following areas:

- Financial performance (efficient expenditure of funding on quality healthcare services);
- Administration (claims payment, customer service, credentialing, etc);
- Case Management (patient assessment, identification of problems, creation of care plans, coordination of medical and home-health services, referrals to community resources and programs, and provision of education); and,
- Clinical performance (quality of care).

The County and the ASO will be responsible for monitoring the program vendors to ensure program goals are obtained.

How will the County ensure that the Program will not grow out of control?

The Program will be limited to the amount of funding raised through the ½ cent sales tax. One of the many benefits of the ASO model is the County's ability to maintain control over the financial and benefit structure of the program. The Plan includes "levers" that

can be accessed if needed for the County to minimize financial risk. These "levers" include the following:

- Change or limit program eligibility
- Change or limit the benefits offered by the plan
- Reimburse providers using budgeted funding where possible

The County will strive to maximize tax payer dollars in the most efficient means possible to provide quality healthcare to the uninsured of this County.